

**Private Construction Contractors Association of Slovakia**

**Monthly Report: July 1996**

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**<sup>0</sup>Internal Affairs**

PCCAS prepared application forms for the Bratislava Labour Office and gave them to the BLO representative Mr. Zázrivec. On the basis of these documents, the PCCAS office has created a new job related to the extension of PCCAS educational programs. Mrs. Bo ena Nagyová was selected and tested as a suitable new full-time employee/PCCAS staff member to fill this new position.

The draft of the PCCAS Education Program Catalogue was prepared by PCCAS staff. It is the first official PCCAS education bidding material and it was developed on the basis of the VPS program by Mr. Vladimír Svrček (PCCAS Board Member).

The last negotiation between the representatives of the construction association RABIT and PCCAS was organized. The main topics were the Slovak economy, central government investment, the revision of legislation, and the prospects for close cooperation, including the public bidding process, between these two organizations. RABIT signed up as a member of PCCAS.

PCCAS Deputy Director Mr. Alexander Benedek participated in the coordination meeting at Nevé Zámky. The meeting was organized by a construction high school in this southern Slovakian town with the goal of coordinating activities related to the European Union PHARE education program reform of Vocational Education and Training. The E.U. representative, Mr. William Cottof, participated in the meeting. Mr. W. Cottof is the education expert working at Ministry of Education of Slovak Republic.

The regular PCCAS Monday morning meetings took place as scheduled and lists of tasks, individual responsibilities, and deadline for each task were distributed. It is the practical implementation of the last step of the PCCAS three-step planning. Before it was done several times but not under as strict conditions and without regularly checking the tasks.

After his return to Slovakia, PCCAS Executive Director Michal Ma a gave the PCCAS staff a detailed description of the PCCAS North American Housing Study Tour in June/July.

Executive Director Ma a met with PCCAS board member Mr. Vladimír Svr ek for a working lunch. The discussion was mainly oriented toward the staffing of the PCCAS education program and the training of the staff.

## **<sup>1</sup>Information Exchange**

The headquarters of Pošta Košice (ie., Main Post Office of Košice – a town with 120,000 inhabitants), informed the PCCAS office that the contract with the SANECCO s.r.o. company (owner is PCCAS Vice President Adolf Zajac), finished the construction with several defects (low quality).

## **<sup>2</sup>Membership Activities**

The PCCAS office was visited by two Roma groups of entrepreneurs. They asked for help in finding business opportunities in Slovakia and the Czech Republic. One of them, Mr. Dušan Lacko of the construction company LAMAN, was supported at the meeting by the General Director of Public Information of the Ministry of Culture, Mr. Ivan Reguli. The PCCAS Executive Director asked both of them to give to the PCCAS office their detailed list of references. Without this list, it is not possible to vouch for the quality of their work and help them generate business. So far, no list has been sent to our offices. PCCAS probably will prepare a specific program for helping these types of entrepreneurs.

Five new companies joined PCCAS:

**PETEL**, owner/fully responsible person – Mr. Petrušák Stanislav, number of employees: 4, installation, service and revisions of the electric systems at constructions, Vranovská 50, SK 08096, Prešov – Nižná Sebastová;

**PTI**, owner/fully responsible person – Ing. Magdaléna Hanusrichterová, number of employees: 2, standard construction documents include the plans, drawings, construction engineering and managing, consultant and advising in construction, Thurzova 16, SK 036 01 Martin;

**AKSTAV SLOVENSKO v.o.s.**, owners/fully responsible persons – Eva & Anton Kudlička, number of employees: 16, wholesalers of construction material, construction tools (powered and non-powered), ul. Vysoko kolákov 2, SK 010 01, Ilina;

**PROFIS s.r.o.**, owner/fully responsible person – Roman Peško, number of employees: 14, the company is oriented to fire-inspection, selling and service of fire protection equipment, preparing the fire-protection construction documents, estimation of fire-resistance properties of construction, trainings and seminars in fire protection and inspection of pressure vessels. ul. Jána Palárika 16, SK 908 51 Holíč; and

**RABIT IPSZZ**, owner/fully responsible person – Ing. František Böhm, number of employees: 261, engineering in construction, preparation of full standard construction documents mainly the plans and drawings, Pri starej prachárni 14, SK 831 04 Bratislava.

### **<sup>3</sup>Staff Support for PCCAS Entrepreneurs**

The Executive Director and the PCCAS General Secretary for the Prievidza region, Mr. Jozef Melu visited the Mayor of Bojnice, Mr. Solárik. The discussion related to financial problems for construction of new multifamily apartment blocks. The state subsidy and other sources are up to 9 million Slovak crowns, but the final cost of construction is 16 million. The Mayor did not want to sign the extension of the previous contracts. The result was to continue of the discussion directly in Bratislava next day. The Self Government activity is out of the Public Procurement Law due to the extremely short time for the start and finishing of the construction. The land and the type of construction was selected. The company IMPRO s.r.o. (PCCAS member) has been working on the final form of construction drawings and documents. The activity is following the PCCAS Housing Policy Program.

The PCCAS staff met with the representative of the Polish construction company EXBUD, Mr. Henrik Kuè. The company has been working in Austria, Germany, Ukraine and Russia. The possibilities of the PCCAS subcontractor activities were discussed including the participation in renovating the U.K. ambassador s residence. During August 1996, a meeting will be held to determine the future of cooperation between PCCAS and EXBUD.

On the basis of the PCCAS business trip during April 1996 to the Spanish province of Alicante, the PCCAS staff sent an invitation letter to several large Spanish construction contractors. In the letter, PCCAS introduced the professional features of Slovak construction companies and also proposed future cooperation in Slovakia, in Spain and also other countries.

PCCAS board member Vladimír Svrèek was nominated as a member of the evaluation committee of the public procurement tender for renovation, remodeling and modernization of the Leopoldov Prison. The tender was organized under the Slovak Act No. 120/96. Svr èk is a member of the Board of the Experts for Public Procurement. He was nominated to this public body by the Minister of Construction and Public Works. Svr èk identified several contradictions in the tender in comparison to the Act and he proposed canceling the tender. It was done.

The PCCAS staff organized a meeting at the Bratislava III Self Government Office oriented to the construction of a large multifunctional shopping and business center. The investor is the Canadian company, Central European Investment Cooperation. The General Manager of it is the Hungarian citizen Mr. Andrew Sarlos (Andrá rlo ). The investment cost estimation is about \$200,000,000. The PCCAS staff feels that this could be a great opportunity for many PCCAS members to be subcontractors and to help the investor in quality inspection.

PCCAS Executive Director Ma as and PCCAS board member Svr èk met with a PCCAS member company representative, General Director Mr. Otakar Závodsk . The major discussion related to the implementation of the ISO 9000 standards (Quality Management Set of Standards) for this important Slovak construction contractor and to its cooperation with the Austrian consultant company Impulse-Wert.

#### **4 Legislative Activities**

The Executive Director and members of the trade association AVODIS identified several legislative limitations of the closing of uncollectible debts under the Slovak Set of Acts. Under the Slovak Set of Acts, there is an Execution Law, but if any subject has no money to pay at all, the Slovak Acts discriminate against the borrowers or contractors. In the Czech legislative system, there is an independent system to depreciate uncollectible debts over several years. The Executive Director prepared the strategy for the adoption of a similar Act in Slovakia. This Act will give the chance to control the process of financial closing of each uncollectible debt in real time for each company.

The Ministry of Construction and Public Works asked the PCCAS staff to comment on the Standard Financial Documents for the implementation of the Concession Act. It was done by PCCAS staff with the cooperation of the company DOPRASTAV a.s. (4500 employee highway construction firm headed by Executive Director Mr. Holčák), and with the cooperation of the Association of Slovak Entrepreneurs (headed by General Secretary Mr. Ján Paus). PCCAS benefitted from the implementation of the index method of updating the expenses and costs during periods influenced by monetary inflation and devaluation.

The PCCAS Vice President Mr. Jozef Novák, participated in the meeting of the staff of the Ministry of Construction and Public Works, Association of Construction Entrepreneurs of Slovakia, Association of Towns and Villages, PCCAS, and international consultants selected by the World Bank for the Slovak Standard Bidding Documents Preparation Grant. This PCCAS activity is focused on improving the Slovak Public Procurement Law.

#### **5 Cooperation with Associations and Groups**

The Executive Director participated in the preparatory meeting organized by the board of the Federation of Entrepreneurs' Associations and Unions (FEUA). This meeting dealt primarily with legislation regarding three-party negotiations (employers, government, labor unions). Materials covered included the Central Government Public Investment Program for the next three years presented by Mr. J. Mráz of the Minister of Construction and Public Works; the government energy cost program (liberalization the energy industry); the Small and Medium Enterprise Development Program Report; and the new financial model of the Health Service and Production Program for conversion of a military enterprise in Dubnica.

The Executive Director participated in the three-party meeting as an FEUA advisor for the Central Government Public Investment Program. It was a great opportunity for PCCAS, because this body is the headquarters for three-party negotiations related to legislation and government programs.

At the FEUA regular meeting on June 19th, 1996, the several Slovak Commerce Attachés were introduced to the permanent FEUA Council consisting of 24 General Trade Association secretaries. The Attachés will work at the Slovak Embassies in Thailand, Myanmar, Laos, and Kampuchea.

## **<sup>6</sup>International Activities**

The main PCCAS international activity consisted of the PCCAS board members 22-day Housing Study Tour to the U.S. The visitors were introduced to the U.S. housing industry covering U.S. federal and private housing policy, trade associations, planning, financing, and manufacturing. They were also introduced to energy-saving and renewable-energy approaches (e.g., sun-collectors, fotovoltaic and passive solar elements) and to the production of construction products (e.g. openings, structural insulated panels, ceiling, gypsum dry board and half-products, and concrete masonry). They also conducted a field study tour to construction sites (unfinished houses, remodeled houses) and show houses (completely equipped houses for marketing purposes).

## **<sup>7</sup>Public Relations and Marketing**

The Executive Director was interviewed by journalist Mr. Stefan Mistrik, editor-in-chief of the journal INTERNATIONAL Ex-PRESS. The interview was published on the 5th 6th page of the 63-page journal in the **Current Topics** section. The title was **Why Houses Will (Not) Be Built in Slovakia** with the caption **Each Break Is Thought to Be an Emergency**. This article consisted of an interview about the problems, history and future of housing development in Slovakia according to PCCAS as well as the Executive Director's personal view. There was a large response from the Ministry of Labor, Family and Social Affairs, Mrs. Olga Keltoová of the Government Legislative Board and several influential representatives and individuals. Many of the ideas are partly in contradiction with the state housing policy and represent specific recommended approaches from the PCCAS board.

The Executive Director was asked by the deputy editor-in-chief to prepare a short version of the article in INTERNATIONAL Ex-PRESS about housing for people of the Roma ethnic group. The text was titled, **from Your Pen**. It was accepted and it will be printed in the September issue of the journal. The main idea is to encourage Roma individuals, entrepreneurs, construction contractors, owners, users, and renters to build houses and/or provide housing for Roma families. Also mentioned were specific architecture approaches for and possible legislative changes regarding Roma housing. The article was based on the meeting of the Executive Director with a Roma construction contractor and the General Director for Public Information of the Ministry of Culture.

The PCCAS Membership Catalog was printed in the Slovak language. It will be distributed to the PCCAS members; to several foreign and Slovak embassies, institutions, central government offices and institutions and also it will be sold to each customer on a commercial basis according to their specific requests.

The PCCAS staff met the representative of the company INFORM KOTAL G S.R., Mrs. Krnáčová, and discussed the form of the PCCAS member database. The member companies will be published in printing and electronic form free of charge. For this purpose, one PCCAS Membership Catalogue (Slovak version) was provided with one condition, to check all printed data with the owner of the each company. It is a great advertising opportunity for PCCAS. PCCAS will also have a page on the INTERNET due to this contract.

PCCAS Deputy Director Mr. Alexander Benedek met with Mr. Ladislav Tóth, the Editor-in-Chief of the magazine Slovensko. The conclusion was an agreement that the journal would regularly publish PCCAS construction company profiles. The agreement for this initiative will be signed shortly. It will be another source of income for PCCAS.

## **<sup>8</sup>Money-Making Activities**

The PCCAS staff had a discussion with Mr. Kováčik from the Telekomunikácie Bratislava Institute of Education relating to preparing the seminar for preparation for the state examination of selected activities in construction industry under the Slovak Act No., 136/95. The seminar will be organized in Education Centre at Jarošova Street in Bratislava. There will be 26 employees as participants. The others will be added on the base of PCCAS strategy from other companies and/or individuals. Mr. Kováčik will formulate the final list of the seminar participants until end of August 1996.

The PCCAS Committee Coordinator Ms. Hana Golianová, started with experimental testing of the PCCAS Small Construction Business Program. She prepared the construction cost estimation. This business was based on a construction elements list generated by her. She is trained in the PCCAS office and in the PCCAS member companies as a construction costing expert.

## **<sup>9</sup>Regional Offices Activities**

The Executive Director visited the Regional Chapter in Bratislava (**ASSPS Čech stavbárov Bratislava, Eng. Construction Contractors Guild of Bratislava**). The goal was the movement of the office from the room rented from the Association of Bratislava's Guilds to the independent room in the Váhostav Building. Mrs. Anna Kabzanová will be a new full time PCCAS staff (previously part-time) and she will work as a local Executive Director. Mrs. Kabzanová will begin with several educational activities and with marketing activities, and she has prepared specific activities under the European Union PHARE program. These activities represent an expansion of non-dues-oriented revenue generation for this Regional Chapter. PCCAS Vice-President Oliver Šasnócha from ODIS s.r.o. is providing a great amount of assistance. Ms. Kabzanová asked to be trained in the future also as a specialist in construction cost estimation for bidding purposes (public and private). Several details about her contracts and about technical conditions for the new PCCAS office in the Váhostav Building were discussed.

The Executive Director and Ms. Janka Kraková visited the Regional Chapter in Prievidza. The main goal for Ms. Kraková was a financial inspection and the practical financial training of the new Local Executive Director Ms. Anna Melišková (Ms. Melišková substituted Ms. Mikulová in the same position). The main goal for the Executive Director was participation in the local board meeting in Prievidza. Participants consisted of the Board Members, the Executive Director, Ms. Kraková, Ms. Kabzanová, Ms. Melišková and a congressman. The main topic was the creation of new government bodies after adoption of a law about a new form of District formation in Slovakia. Mrs. Melišková was elected as a new local board member in this chapter. The Executive Director informed briefly about the PCCAS Housing Study Tour to the U.S. in June/July 1996. Two PCCAS members asked

about the documents related to common U.S. wood and iron frame housing construction technology and concrete masonry technology, and landscaping architecture.

**10 Expenses and Salaries**

Travel expenses	\$512.42
Postage and telephone	502.24
Miscellaneous	836.90
Printing	206.14
Salaries	889.87
Total	2,947.57

## **Appendix**